



## NEWS RELEASE

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### **OPERATION DIGITAL MARAUDER LEADS TO CHARGES AGAINST 11 AND SEIZURE OF \$87 MILLION IN COUNTERFEIT PRODUCTS**

#### ***Industrial CD Replicator Seized in Massive Counterfeit Software Conspiracy***

As a result of Operation Digital Marauder, the latest federal action targeting large-scale copyright infringement and theft of intellectual property, 11 defendants have been charged with conspiracy to distribute counterfeit computer software and documentation with a retail value of well over \$30 million.

Additionally, in one of the largest seizures of counterfeit software in the United States, agents with the Federal Bureau of Investigation executed search warrants in San Francisco and Austin, Texas that led to the seizure of more than \$56 million worth of counterfeit Microsoft, Adobe and Symantec products. Furthermore, investigators have seized an industrial CD replicator and sophisticated printing equipment.

The 11 defendants are named in a superseding indictment returned yesterday by a federal grand jury in Los Angeles. In addition to the conspiracy count, the indictment alleges various acts of trafficking in counterfeit computer documentation and counterfeit software. The defendants in the case are:

- SANH CHAN THAI, 52, of San Gabriel, California;
- TOBIAS GRACE, 32, of Vancouver, Washington;
- HUNG TRIEU LU, 42, of Walnut, California;
- ROGER LE, 40, of Rancho Santa Margarita, California;

- VICTOR SOLANO, 38, of Gardena, California;
- TOM POLMATIER, 39, of Vancouver, Washington;
- SHAWN STOCKFORD, 36, of Vancouver, Washington;
- ARLYN MALDONADO, 30, of Vancouver, Washington;
- THANH TUONG, 40, of San Francisco;
- MAXWELL McKAY, 26, of Austin, Texas; and
- ARNICA GRACE (Tobias Grace's sister), 29, of Austin, Texas.

Operation Digital Marauder was a two-year investigation that culminated on August 26, when FBI agents based in Los Angeles and Seattle executed 11 search warrants and arrested 11 defendants pursuant to a criminal complaint. This week's indictment alleges that THAI, LU, LE and TUONG produced bulk quantities of Symantec, Adobe and Microsoft software and documentation. Those counterfeit products were delivered to TOBIAS GRACE, ARNICA GRACE, POLMATIER, STOCKFORD, MALDONADO and McKAY, who operated a counterfeit software distribution enterprise from Washington State and Texas. SOLANO is alleged to have processed the payments for the counterfeit products in Los Angeles.

"Today's indictment marks an important milestone in our mission to curb intellectual property theft," said Attorney General John Ashcroft. "The theft of intellectual property is a multi-billion dollar fraud that not only steals money from the creators of such ideas, but it also victimizes the American consumer. When industry is forced to increase prices in order to recoup the money lost due to theft, we all pay those costs."

United States Attorney Debra W. Yang, a member of the Attorney General's Intellectual Property Task Force, said this case illustrates the Justice Department's commitment to battle intellectual property crimes. "The scope of this case is unprecedented. In one indictment, we have charged both the manufacturers who supplied the counterfeit items and the distributors who flooded the market with the bogus goods. We have devoted the time and the resources that were needed to dismantle an entire distribution chain, from beginning to end. Rest assured that we will be looking at all who are involved in this underground black market."

FBI Los Angeles Assistant Director in Charge Richard Garcia stated: "Intellectual

property and the industries that produce it underpin an already large and growing segment of our local and national economy. Law enforcement must increasingly protect that capital with the same level of intensity and vigor that is afforded physical property. Investigations like this demonstrate the lengths to which criminal organizations will go to steal intellectual property – including purchasing and operating warehouse-sided replication equipment to illegally reproduce copyright software. We are committed to working with the software and other copyright and trademark industries to reduce the theft of their intellectual property and punish those who benefit from such thievery.”

The defendants are scheduled to be arraigned on the indictment on Monday, September 20 in United States District Court in Los Angeles. If convicted of the charges in the indictment, the defendants face potential prison sentences ranging from 15 years to 75 years in federal prison.

*An indictment contains only allegations of criminal activity. Every defendant is presumed innocent until and unless proven guilty in a court of law.*

The United States Attorney’s Office in Seattle has filed a related case charging Tobias Grace and a second defendant with money laundering.

The Microsoft Corporation digital integrity group, the Symantec Corporation brand protection task force and Adobe Corporation anti-piracy personnel provided valuable assistance throughout this investigation.

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